

Leelanau County Planning and Community Development

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Representative David Palsrok
S1385 House Office Building
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Lansing MI 48909-7514

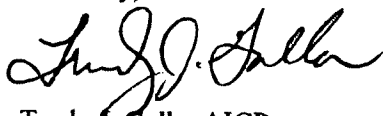
Dear Representative Palsrok:

In October of 2003, Leelanau County wrote to you and other legislators concerning funding mechanisms for recycling and solid waste programs. In 2003, we supported language which would provide the option to communities to vote on a flat fee for such programs, instead of a millage which ends up with an amount based on a person's taxable value of their property.

Since 2003, Leelanau County has continued to voice its support for such language and for SB79. Listed on the following pages is a summary of information I referred to when I testified before the Senate Natural Resources and Environmental Affairs committee on March 8, with regard to this Bill. I am providing this information to you for reference as to why Leelanau County feels this Bill should be passed.

Please feel free to contact me if you have any questions or need anything clarified. I hope this Bill can move forward quickly.

Sincerely,



Trudy J. Galla, AICP
Planning Director

cc: *Leelanau County Solid Waste Council*

SB79**Why this Bill is Important to Leelanau County, and for other counties:**

In 2003, Leelanau County SWC and the County Board passed a resolution which was sent to Sen. McManus – requesting that legislation be introduced which would allow for voters to “vote” on a fixed fee for recycling and solid waste programs. Shortly after that, legislation was introduced in the form of 2 house bills and a senate bill. These were reviewed in 2004. In 2005, SB79 was introduced and has undergone some minor changes from the original language. Leelanau County still supports this bill and feels it is a good option for counties who are trying to establish a secure method of financing its recycling programs and other solid waste initiatives.

Why does Leelanau County want this bill:

The county's recycling program has evolved over the last 20 years – it started with volunteers and non-profit organizations. The county invested funds several years ago for roll-offs at 7 sites in the county which are open 24/7. Private companies handle the transportation and the processing of the materials. The program has grown in popularity, AND cost. We are constantly looking for ways to decrease the costs associated with the program, and increase revenue.

- We have tried recycling cards and having businesses and citizens pay a yearly fee;
- We have tried P.A. 138 – but were advised by Corporate Counsel to stop using the Act as they had difficulties with this Act as written and the test for a “tax vs. a fee” as outlined in the *Bolt vs. Lansing* case.
- We have used some General Fund dollars from the county budget.
- And, we are now using a surcharge at the landfill – as outlined in the *Leelanau County Solid Waste Ordinance & Fee Schedule*.

Out of these 4 options, the only one that provided a good, stable budget was P.A. 138. Senate Bill 79 amends that Act to clarify the questions our Attorneys had raised, and provides voters with the chance to vote and approve such fees.

Why Does the County Need this Bill?

Leelanau County, and other counties in the State, need this Bill approved so they have another option for revenue for solid waste/recycling programs.

How will SB79 help?

Senate Bill 79 clarifies P.A. 138, and allows an opportunity to take the question to the taxpayers: Do you want to approve a fee on households for the funding of recycling programs? It also allows the option to include businesses.

Why is it important to give local communities options to implement their own recycling program?

Each community is different. In our area of the state, we are far removed from the market and the processing plants. Our transportation costs are much higher to get our materials where they need to be. We are looking at regional opportunities but nothing exists right now. Each community needs to have the capability to ask the voters if they will pay for such a program, and how much they are willing to pay. From there, you can establish or modify your program to fit the budget.

If you look at the options for funding programs, there really aren't very many:

- P.A. 138
- P.A. 185
- General Funds or
- Landfill Surcharge.

If SB79 is approved, and other Bills end up being approved (such as SB256-the state-wide fee on materials going into all landfills), then SB79 can supplement any funds a community receives from SB256. Perhaps a community does not get enough allocation thru SB256 to run its program. SB79 allows the community to raise additional revenue.

Additional Comments regarding SB79 (Substitute S-3 as passed by the Senate), Fiscal Analysis dated 4-4-05 and listed on the website www.michiganlegislature.org. This site has an Opposing Argument listed which states:

"While the bill has the potential to improve in-State recycling rates and thus reduce local waste deposited in landfills, it actually could increase trash imported from out of State."

I would not agree with this statement. Senate Bill 79 does NOT reduce the amount of material deposited in landfills – it provides a funding mechanism for solid waste programs. Actual PROGRAMS adopted by a community may have the affect of decreasing the amount of waste deposited in a landfill. Decreasing the amount of material being deposited in a landfill is a goal listed in Leelanau County's Solid Waste Management Plan (and probably every Plan in the state), in order to increase the life expectancy of the landfill. Clearly, the owners of the landfills and local communities have goals in direct opposition of one another: we want to increase the life expectancy of a landfill by keeping material out of it. The landfill owner wants to increase the volume going into the landfill as volume means money. SB79 is a funding mechanism and does not regulate the materials deposited or not deposited in a landfill.

Under the Fiscal Impact it states:

"To the extent that local units would have imposed the surcharge but failed to receive approval from the county's voters, the bill would reduce future local unit revenue. If, as a result, the county or agency chose not to pursue waste reduction programs or recycling programs, the bill also would reduce future expenditures from some local units. To the extent that such programs were funded but the surcharge or fee was not assessed (as a result of the election), local units would need to obtain the revenue from other sources."

I have to note that I do not understand the above statements. A local unit would not 'impose' the surcharge unless the voters DID approve it. How would future local unit revenue be reduced? How would a program be funded (but the surcharge or fee not assessed) and local units would need to obtain the revenue elsewhere? If the program is already funded, the local unit would have the option to continue using its present funding source, or to use SB79.

